

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ADJUSTMENT OF RATES OF GENERAL )  
TELEPHONE COMPANY OF THE SOUTH ) CASE NO. 10117

O R D E R

IT IS ORDERED that General Telephone Company of the South ("General") shall file an original and 17 copies of the following information with the Commission, with a copy to all parties of record. In the event that a response to individual items becomes extraordinarily voluminous General shall file an original and two copies of that response, with a copy to all parties of record. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to insure that it is legible. Where information requested herein has been provided along with the original application, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. When applicable, the information requested herein should be provided for total company, total Kentucky and jurisdictional operations on an independent

basis with each specifically identified. The information requested is due with the filing of notice and testimony, but not later than February 12, 1988. If the information cannot be provided by this date, a motion for an extension of time must be submitted stating the reason for the delay and the date by which the information can be furnished. The Commission will give due consideration to such motions.

1. Capital structure at the end of each of the periods as shown in Format 1, Schedules 1 and 2.

2. a. Provide a list of all outstanding issues of long-term debt as of the end of the latest calendar year and the end of the test period together with the related information as shown in Format 2a, Schedules 1, 2 and 3. A separate schedule is to be provided for each time period. Report in Column (k) of Format 2a, Schedule 2, the actual dollar amount of debt cost for the test period. Compute the actual and annualized composite debt cost rates and report them in Column (j) of Format 2a, Schedule 2.

b. Provide an analysis of end of period short-term debt and a calculation of the average and end-of-period cost rates as shown in Format 2b.

3. Provide a list of all outstanding issues of preferred stock as of the end of the latest calendar year and the end of the test period as shown in Format 3, Schedules 1 and 2. A separate schedule is to be provided for each time period. Report in Column (h) of Format 3, Schedule 2, the actual dollar amount of preferred stock cost accrued and/or paid during the test period. Compute the actual and annualized preferred stock cost rate and report the results in Column (h) of Format 3, Schedule 2.

4. a. Provide a listing of all issues of common stock in the primary market during the most recent 10-year period as shown in Format 4a.

b. Provide the common stock information on a quarterly and yearly basis for the most recent 5 calendar years available, and through the latest available quarter as shown in Format 4b.

c. Provide monthly market price figures for common stock for each month during the most recent 5-year period and for the months through the date the application is filed as shown in Format 4c. Provide a listing of all stock splits by date and type.

5. Provide a computation of fixed charge coverage ratios for the 10 most recent calendar years and for the test period as shown in Format 5.

6. Provide a detailed analysis of the retained earnings account for the test period and the 12-month period immediately preceding the test period.

7. Rates of return in Format 7 attached.

8. a. A schedule of the present and proposed rates, charges, terms and conditions, and service rates and regulations which the applicant seeks to change, shown in comparative form.

b. A detailed analysis of customers' bills, adjusted to actual usage and in such detail that the revenues from the present and proposed rates can be readily determined.

c. A schedule of test period revenues for each rate schedule per book rates, present rates annualized, and proposed rates annualized.

d. A schedule setting forth the effect upon average consumer bills.

e. A statement setting forth estimates of the effect that the new rate or rates will have upon the revenues of the utility, the total amount of money resulting from the increase or decrease and the percentage increase or decrease.

f. A schedule showing by service category (e.g., exchange access, private line, toll, etc.) the amount and percent of any proposed increase or decrease in revenue distributed to each category. This schedule is to be accompanied by a statement which explains in detail the methodology or basis used to allocate the requested increase or decrease in revenue to each of the respective service categories.

g. A schedule showing how the increase or decrease in (f) above was further distributed to each rate charge (e.g., exchange access, private line, toll, etc.). This schedule is to be accompanied by a statement which explains, in detail, the methodology or basis used to allocate the increase or decrease.

h. A statement showing by cross-outs and italicized inserts all proposed changes in rates, charges, terms and conditions, and service rules and regulations for each rate or charge. A copy of the current tariff may be used.

9. In comparative form, a total company, Kentucky and jurisdictional income statement, a statement of changes in financial position, and a balance sheet for the test period and the 12-month period immediately preceding the test period.

10. a. A detailed trial balance as of the last day of the test period (all income statement accounts should show activity for 12 months) showing account number, account title, and amount. Provide this information on a total company, Kentucky and jurisdictional basis. Show the balance in each control and all underlying subaccounts per company books.

b. Provide a detailed chart of accounts used during the test period.

11. The following monthly account balances and a calculation of the average (13-month) account balances for the test period for the total company, Kentucky and jurisdictional operations:

a. Plant in service (Account 100.1).

b. Construction work in progress (Account 100.2).  
(Separate this balance into CWIP eligible for capitalized interest and other CWIP.)

c. Property held for future use (Account 100.3).

d. Plant acquisition adjustment (Account 100.4).

e. Capital Leases (Account 100.6)

f. Plant purchased or sold (Account 276 and 277).

g. Depreciation reserve (Account 171).

h. Amortization reserve (Account 172).

i. Other investments and funds (Accounts 102, 136, and 137).

j. Nonregulated Investments (Account 106).

k. Materials and supplies (include all accounts and subaccounts (Account 122)).

l. Balance in accounts payable applicable to each account in k. above. (If actual is indeterminable, give reasonable estimate.)

m. Unamortized investment credit - Pre-Revenue Act of 1971.

n. Unamortized investment credit - Revenue Act of 1971.

o. Accumulated deferred income taxes.

p. A summary of customer deposits as shown in Format 11p to this request.

q. Balance in accounts payable applicable to amounts included in utility plant-in-service. (If actual is indeterminable, give reasonable estimate.)

r. Balance in accounts payable applicable to amounts included in plant under construction. (If actual is indeterminable, give reasonable estimate.)

12. Schedules in comparative form showing by months for the test period and the 12 months preceding the test period, the total company, Kentucky and jurisdictional balance in each plant and reserve account or subaccount and included in the applicant's chart of accounts as shown in Format 12.

13. Provide the following information for each item of property held for future use at the end of the test period:

- a. Description of property.
- b. Location.
- c. Date purchased.
- d. Cost.

- e. Estimated date to be placed in service.
- f. Brief description of intended use.
- g. Current status of each project.

14. The balance in each current asset and each current liability account and subaccount included in the applicant's chart of accounts by months for the test period. Additionally show total current assets, total current liabilities and the net current position by months, annually, and the 13-month average for the test period. Provide a reconciliation of current assets, current liabilities and net current position provided in response to the above with the current assets and current liabilities as shown on the balance sheet for each month of the test period. If any amounts were allocated, provide a calculation of the factor used to allocate each amount.

15. Provide the journal entries relating to the purchase or sale of utility plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise since the inception of the Company. Also, provide a schedule showing the calculation of the acquisition adjustment at the date of purchase of each item of utility plant, the amortization period, and the unamortized balance at the end of the test period.

16. The detailed workpapers showing calculations supporting all accounting, end-of-period, pro forma and proposed rate adjustments in the rate application to revenue, expense, investment and reserve accounts for the test period and a complete detailed narrative explanation of each adjustment including the reason why each adjustment is required. Explain in detail all components

used in each calculation including the methodology employed and all assumptions applied in the derivation of each adjustment. Index each calculation to the accounting, end-of-period, pro forma and proposed rate adjustment which it supports.

17. a. A schedule showing a comparison of the balance in the total company, Kentucky and jurisdictional revenue accounts for each month of the test period to the same month of the preceding 12 months for each revenue account or subaccount included in the applicant's chart of accounts. Include appropriate footnotes to show the month each rate increase was granted and the month the full increase was recorded in the accounts. See Format 12.

b. For each of the 12 months in the test period show the revenues deferred or reserved, the month they were deferred and the reason for the deferral or reserve. Also show if any revenues were reversed from a deferred or reserve account and were not originally recorded in the test period.

18. a. A schedule showing a comparison of the balance in the total company, Kentucky and jurisdictional operating expense accounts for each month of the test period to the same month of the preceding 12 months for each account or subaccount included in the applicant's chart of accounts. See Format 12.

b. A schedule in comparative form showing the total company, Kentucky and jurisdictional operating expense account balance for the test period and each of the 5 years preceding the test period for each account or subaccount included in the appli-



cant's annual report. (FCC Form No. M, Schedule 35.) Show the percentage of increase of each year over the prior year.

c. A schedule for the 12 months of the test period separating wages from other expenses as shown in Format 18c.

d. A schedule of total company, Kentucky and jurisdictional salaries and wages for the test period and each of the 5 calendar years preceding the test period in the format as shown in Format 18d to this request. Provide this information for union and non-union employees separately. Show for each time period the amount of overtime pay, the amount of employee (executive) bonuses and incentive payments, and the amount of memberships, dues, and fees paid to or on behalf of employees to health clubs, country clubs, etc.

e. A schedule showing the percentage of increase in salaries and wages for both union and non-union employees for the test period and the 5 preceding calendar years. If the response to Item No. 18d and 18e are substantially different, provide an explanation of such difference. Provide current union contracts.

19. a. Provide the amount of excess deferred federal income taxes resulting from the reduction in the corporate tax rate from 48 percent to 46 percent in 1979, as of the end of the test period showing all calculations.

b. Provide a schedule with full documentation showing the impact of changes to income taxes during the test period as a result of the Tax Reform Act of 1986.

20. a. Provide the following tax data with all supporting information and calculations for the test period for total company, Kentucky and jurisdictional operations:

- (1) Federal operating income taxes deferred - accelerated tax depreciation.
- (2) Federal operating income taxes deferred - other (explain).
- (3) Federal income taxes - operating.
- (4) Income credits resulting from prior deferrals of Federal income taxes.
- (5) Investment tax credit net.
  - (i) Investment credit realized.
  - (ii) Investment credit amortized - Pre-Revenue Act of 1971.
  - (iii) Investment credit amortized - Revenue Act of 1971.
- (6) Provide the information in 20a (1) through 20a (4) for state income taxes.
- (7) Reconciliation of book to taxable income as shown in Format 20a (7), Schedules 1 and 2, and a calculation of the book Federal and State income tax expense for the test period using book taxable income as the starting point.
- (8) A copy of Federal and state income tax returns for the taxable year ended during the test period including supporting schedules.

(9) Schedule of franchise fees paid to cities, towns or municipalities during the test period including the basis of these fees.

b. An analysis of Kentucky and jurisdictional other operating taxes in the format as shown in attached Format 20b.

21. A schedule of total company, Kentucky and jurisdictional net operating income per average access line (See Format 22, Schedule 2) per company books for the test period and the 5 calendar years preceding the test period. This data should be provided as shown in Format 21 attached.

22. The comparative operating statistics as shown in Format 22 attached, Schedules 1, 2, 3 and 4.

23. A schedule of total company, Kentucky and jurisdictional average plant-in-service per access line by account per company books for the test period and the 5 calendar years preceding the test period. This data should be provided as shown in Format 23.

24. A statement of plant-in-service per company books for the test period. This data should be presented as shown in Format 24.

25. Provide the following information. If any amounts were allocated, show a calculation of the factor used to allocate each amount.

a. A detailed analysis of all charges booked during the test period for advertising expenditures. This analysis should include a complete breakdown of Account 642 - Advertising as shown in Format 25a attached and further should show any other

advertising expenditures included in any other expense accounts. The analysis should be specific as to the purpose of the expenditure and the expected benefit to be derived. Expenses allocated from either the parent company or from affiliated companies should so be identified.

b. An analysis of Account 675 - Other Expenses for the test period. This analysis should show a complete breakdown of this account as shown in attached Format 25b and further provide all detailed workpapers supporting this analysis. At minimum, the workpapers should show the date, vendor, reference (e.g., voucher no., etc.), dollar amount and brief description of each expenditure. Detailed analysis is not required for amounts of less than \$500 provided the items are grouped by classes as shown in Format 25b attached.

c. An analysis of Account 323 - Miscellaneous Income Charges for the test period. This analysis should show a complete breakdown of this account as shown in attached Format 25c, and further provide all detailed workpapers supporting this analysis. At minimum the workpapers should show the date, vendor, reference (e.g., voucher no., etc.), dollar amount and brief description of each expenditure. Detailed analysis is not required for amounts of less than \$500 provided the items are grouped by classes as shown in Format 25c attached.

26. Provide a detailed analysis of expenses incurred during the test period for professional services, as shown in Format 26, and all workpapers supporting the analysis. At minimum, the workpapers should show the payee, dollar amount, reference (e.g.,

voucher no., etc.), account charged, hourly rates and time charged to the company according to each invoice, and a description of the service provided.

27. A detailed analysis of contributions for charitable and political purposes (in cash or services), if any, recorded in accounts other than Account 323. This analysis should indicate the amount of the expenditure, the recipient of the contribution and the specific account charged. If amounts are allocated show a calculation of the factor used to allocate each amount and its source. Also identify for the test period the amounts of contributions for charitable and political purposes charged to Kentucky operations from affiliated interests in accounts other than Account 323.

28. a. Provide a statement describing the applicant's lobbying activities and a schedule showing the name of the individual, his salary, the organizations or trade associations involved in and all company-paid or reimbursed expenses or allowances and the account charged for all personnel for whom a principal function is that of lobbying, on the local, state, or national level. If any amounts are allocated, show a calculation of the factor used to allocate each amount. Also identify any lobbying activities charged to Kentucky operations by affiliates.

29. The dollar amount of employee concession telephone service for the 12 months of the test period including directors and officers as shown in Format 29 attached.

30. Provide the following information with regard to uncollectible accounts for the test period and 5 preceding calendar years (taxable year acceptable) for total company:

- a. Reserve account balance at the beginning of the year.
- b. Charges to reserve account (accounts charged off).
- c. Credits to reserve account.
- d. Current year provision.
- e. Reserve account balance at the end of the year.
- f. Percent of provision to total revenue.

Further, provide a narrative of any changes in accounting for uncollectibles resulting from the implementation of the Tax Reform Act of 1986, and an estimate of activity under the new tax law for each period.

31. a. A listing of non-utility property and property taxes and accounts where amounts are recorded.

b. A schedule for all non-utility property giving a description, the date purchased and the cost.

32. Employee data in Format 32 attached.

33. A calculation of the rate or rates used to capitalize interest during construction for the test period and the 3 preceding calendar years. Provide a narrative explanation of each component entering into the calculation of this rate.

34. Identify all central office switching equipment replacements occurring in the test year and the 12 months preceding the test year. Provide specific engineering economic studies used in making these investment decisions. As required in

Case No. 8859, Adjustment of Rates of General Telephone Company of Kentucky, this information should include, at a minimum, the discounted cash flow analyses for the alternatives considered.

35. Provide the 1986 and/or current issue of the "Electronic Stored Program Control Conversion Plan." Previous issues were developed by the Network Planning Department and were entitled "GTSE/GTKY Electronic Stored Program Control Conversion Plan."

36. A schedule showing the test period and the 12-month period preceding the test period with each year shown separately the following information regarding the applicant's investments in subsidiaries and joint ventures:

- a. Name of subsidiary or joint venture.
- b. Date of initial investment.
- c. Amount and type of investment made for each of the 2 years included in this report.
- d. Balance sheet and income statement for the test period and the 12-month period preceding the test period. Where only internal statements are prepared, furnish copies of these.
- e. Show on a separate schedule all dividends or income of any type received by applicant from its subsidiaries or joint ventures for each of the 2-year report periods and indicate how this income is reflected in the reports filed with the Commission and the stockholder reports.
- f. Name of officers of each of the subsidiaries or joint ventures, officer's annual compensation, and portion of compensation charged to the subsidiary or joint venture. Also, indi-

cate the position each officer holds with the applicant and the compensation received from the applicant.

37. Provide the following data relating to affiliated or parent company(ies).

a. Consolidated parent and subsidiaries balance sheet, income statement, and statement of changes in financial position for each month of the test period and the last 2 calendar years.

b. Schedule showing balance sheet, income statement, and retained earnings adjusting entries for General Telephone Company of the South in its consolidation with the parent company and affiliated companies and any effect upon intrastate Kentucky operations.

c. Schedule of federal income tax reductions due to filing a consolidated parent tax return for the last 2 taxable years. Show source and type of reduction, and method and basis of allocating to companies and states.

38. Provide a schedule of company's home office ("Durham") and/or inter-company charges; monthly for the test period and yearly for the last 3 calendar years. List the type of goods or services provided in comparative form for these periods (e.g., supplies capitalized, data service, management services, etc.). The amount by type from each billing unit and the method used in billing (e.g., direct or allocated) and basis for allocating common charges. Also provide any studies available that show the cost/benefit of each service provided to Kentucky ratepayers by Durham headquarters.



39. Provide a detailed bill for all payments made to the Service Corporation and GTE Laboratories for each month of the test period.

40. Explain how Service Corporation and GTE Laboratories expenses are allocated to each subsidiary.

41. Provide any studies available that show the cost/benefit of each service provided to the Kentucky ratepayers by Service Corporation and GTE Laboratories.

42. a. Provide balance sheet, income statement and retained earnings statements for GTE Directories company for each month of the test period and the last 2 calendar years.

b. Provide Kentucky intrastate investment rate base and capitalization for GTE Directories assuming it were not a separate subsidiary and a description of the methodology for these allocations.

c. Provide the actual rate of return on equity for GTE Directories.

d. Based on the authorized rate of return what level of revenues would be allocated to Kentucky operations from GTE Directories? Provide supporting calculations.

43. a. Provide balance sheet, income statement and retained earnings statements for GTE Data Services ("GTEDS") for each month of the test period and for the last 2 calendar years.

b. Provide Kentucky intrastate investment rate base and capitalization for GTEDS assuming it were not a separate subsidiary and a description of the methodology for these allocations.

c. Provide the actual rate of return on equity for GTEDS.

d. Based on the authorized rate of return what level of revenues would be allocated to Kentucky operations from GTEDS?

44. List each general office account (asset, liability, revenue, and expense accounts) covering the 12 months of the test period applicable to more than one jurisdiction or utility operation. If any amounts were allocated show a calculation of the factor used to allocate each amount. Provide a schedule listing the factors by account on a monthly basis when applicable.

45. Provide copies of the General Office Furniture and Equipment and Atlanta Distribution Center worksheets for each month of the test period.

46. Provide an estimate of costs associated with personal use of company vehicles by company employees.

47. Provide the dollar amount of aircraft expenses allocated to Kentucky and describe what benefits accrued to the Kentucky ratepayers from such charges.

48. Provide an analysis of Kentucky clearing accounts for each month of the test period.

49. Provide an analysis of the costs of early retirement incentive programs included in the test period. Are these costs included in the payroll analysis?

50. Provide an analysis of the benefit realized to the Kentucky ratepayer as a result of the General Telephone Company of the Southeast merger with General Telephone Company of Kentucky.

51. The most recent Embedded Direct Analysis.

52. a. Explanation of the settlement contract or method used with South Central Bell and any other telephone companies to arrive at applicant's Kentucky intrastate test-period access and/or toll revenues. (Provide the traffic agreement presently in use for settlement purposes.)

b. Explanation, with copies of appropriate supporting material, of the separation procedures and factors used to arrive at the test-period Kentucky intrastate portions of investment, reserves, revenues, expenses, taxes and any other items applicable to the case. Include discussions on cost studies which were used and periods for which studies were made. Also, provide "true up" factors as they become available with full explanation.

c. A breakdown by dollar amounts of the Kentucky intrastate access and/or toll revenues for the test period into their major class of access and/or toll service, including MTS, WATS, private line, foreign exchange, and any other items contributing to the intrastate toll revenues. Include all intrastate access and/or toll revenues whether received through settlements or otherwise.

53. a. The status of all intrastate access revenue pool settlements, by class of access service, with South Central Bell that were pending at the beginning and at the end of the test period that would affect the test-period intrastate access revenues. Indicate the finality of these settlements with South Central Bell, and if they are not final, give the expected amounts and the expected dates they will be finalized. These amounts are

to be reconciled with book entries including amounts accrued for future settlement adjustments.

b. A statement of concurrence from South Central Bell that the test-period intrastate access revenue pool settlement is correct, giving dollar amounts for each major class of access service settled. If concurrence cannot be obtained, provide a detailed statement of differences.

c. Written explanations of each change or adjustment in intrastate access and/or toll settlements which was booked during the test period, but was applicable to settlements outside of the test period and which was booked outside the test period, but was applicable to settlements covering portions of the test period.

d. Written explanation of all pro forma adjustments made to normalize the test-period intrastate access and/or toll revenues such as those caused by settlement contract changes and separation procedure changes.

e. Any other information the applicant deems necessary to explain the debits and credits to its access and/or toll revenues in order to normalize its intrastate access and/or toll revenues for the test period.

54. Provide a list of current filings before each state commission with jurisdiction over General.

55. a. Provide on a total company, Kentucky and jurisdictional basis a determination of rate base and capitalization (including JDIC) at the end of the test period

using criteria specified in past Orders of the Commission with supporting documentation and workpapers.

b. Provide a reconciliation of any difference between the level of rate base and capitalization for each of the three amounts.

c. Provide a reconciliation of the jurisdictional rate base determined above and the rate base supplied in testimony.

56. a. Provide one copy of any and all computer diskettes which contain formal exhibits and workpapers in support of General's notice of filing and testimony in this proceeding.

b. Provide one copy of all computer diskettes which contain the workpapers mentioned in other parts of this Order and future requests. (Parties also desiring diskettes will need to make a formal request.)

57. Provide the names and mailing addresses of each of the applicant's directors.

58. A detailed monthly income statement for intrastate operations for each month after the test period including the month in which the hearing ends, as they become available.

59. The following information pertaining to General's pension plan:

a. Financial position at the end of the test period. (Provide supporting financial statements.)

b. Information in (a) above for the 2 years preceeding the test period.

c. Impact on Kentucky operation revenue requirements with supporting documentation.

60. Any information, as soon as it is known, which would have a material effect on net operating income, rate base, and cost of capital which occurred after the test period and was not incorporated in the filed testimony and exhibits.

Done at Frankfort, Kentucky, this 15th day of January, 1988.

PUBLIC SERVICE COMMISSION

Richard D. Hemminger  
For the Commission

ATTEST:

Executive Director

GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

Comparative Capital Structures (Excluding JDITC)

For the Periods as Shown

"000 Omitted"

<u>Line No.</u>	<u>Type of Capital</u>	<u>10th Year</u>		<u>9th Year</u>		<u>8th Year</u>	
		<u>Amount</u>	<u>Ratio</u>	<u>Amount</u>	<u>Ratio</u>	<u>Amount</u>	<u>Ratio</u>
1.	Long Term Debt						
2.	Short Term Debt						
3.	Preferred & Preference Stock						
4.	Common Equity						
5.	Other (Itemize by Type)						
6.	Total Capitalization						

GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

Comparative Capital Structures (Excluding JDITC)

For the Periods as Shown

"000 Omitted"

<u>Line No.</u>	<u>Type of Capital</u>	<u>7th Year</u>		<u>6th Year</u>		<u>5th Year</u>	
		<u>Amount</u>	<u>Ratio</u>	<u>Amount</u>	<u>Ratio</u>	<u>Amount</u>	<u>Ratio</u>
1.	Long Term Debt						
2.	Short Term Debt						
3.	Preferred & Preference Stock						
4.	Common Equity						
5.	Other (Itemize by Type)						
6.	Total Capitalization						



GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

Comparative Capital Structures (Excluding JDITC)

For the Periods as Shown

"000 Omitted"

<u>Line No.</u>	<u>Type of Capital</u>	<u>4th Year</u>		<u>3rd Year</u>		<u>2nd Year</u>	
		<u>Amount</u>	<u>Ratio</u>	<u>Amount</u>	<u>Ratio</u>	<u>Amount</u>	<u>Ratio</u>
1.	Long Term Debt						
2.	Short Term Debt						
3.	Preferred & Preference Stock						
4.	Common Equity						
5.	Other (Itemize by Type)						
6.	Total Capitalization						

GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

Comparative Capital Structures (Excluding JDITC)

For the Periods as Shown

"000 Omitted"

<u>Line No.</u>	<u>Type of Capital</u>	<u>1st Year</u>		<u>Test Year</u>		<u>Average Test Year</u>	
		<u>Amount</u>	<u>Ratio</u>	<u>Amount</u>	<u>Ratio</u>	<u>Amount</u>	<u>Ratio</u>
1.	Long Term Debt						
2.	Short Term Debt						
3.	Preferred & Preference Stock						
4.	Common Equity						
5.	Other (Itemize by Type)						
6.	Total Capitalization						

GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

Comparative Capital Structures (Excluding JDITC)

For the Periods as Shown

"000 Omitted"

<u>Line No.</u>	<u>Type of Capital</u>	<u>Latest Available Quarter</u>	
		<u>Amount</u>	<u>Ratio</u>
1.	Long Term Debt		
2.	Short Term Debt		
3.	Preferred & Preference Stock		
4.	Common Equity		
5.	Other (Itemize by Type)		
6.	Total Capitalization		

Instructions:

1. Provide a calculation of the average test year data as shown in Format 1, Schedule 2.
2. If the applicant is a member of an affiliated group, the above data is to be provided for the parent company and the system consolidated.

GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

Calculation of Average Test Period Capital Structure  
12 Months Ended \_\_\_\_\_

"000 Omitted"

Line No.	Item (a)	Total Capital (b)	Long-Term Debt (c)	Short-Term Debt (d)	Preferred Stock (e)	Common Stock (f)	Retained Earnings (g)	Total Common Equity (h)
1.	Balance beginning of test year							
2.	1st Month							
3.	2nd Month							
4.	3rd Month							
5.	4th Month							
6.	5th Month							
7.	6th Month							
8.	7th Month							
9.	8th Month							
10.	9th Month							
11.	10th Month							
12.	11th Month							
13.	12th Month							
14.	Total (L1 through L13)							
15.	Average balance (L14 ÷ 13)							
16.	Average capitalization ratios							
17.	End-of-period capitalization ratios							

Instructions:

1. If applicable, provide an additional schedule in the above format excluding common equity in subsidiaries from the total company capital structure. Show the amount of common equity excluded.
2. Include premium on class of stock.

GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

Schedule of Outstanding Long-Term Debt  
for the Calendar Year Ended December 31, \_\_\_\_\_

Line No.	Type of Debt Issue (a)	Date of Issue (b)	Date of Maturity (c)	Amount Outstanding (d)	Coupon Interest Rate (e)	Cost Rate At Issue (f)	Cost Rate to Maturity (g)	Bond Rating At Time of Issue (h)	Type of obligation (i)	Annualized Cost Col. (d)xCol. (g) (j)
-------------	------------------------------	----------------------------	-------------------------------	------------------------------	-----------------------------------	---------------------------------	------------------------------------	---	---------------------------------	--

Total Long-Term Debt and  
Annualized Cost

Annualized Cost Rate [Total  
Col. (j) ÷ Total Col. (d)]

- 1 Nominal Rate
- 2 Nominal Rate Plus Discount or Premium Amortization
- 3 Nominal Rate Plus Discount or Premium Amortization and Issuance Cost
- 4 Standard and Poor's, Moody, etc.

GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

Schedule of Outstanding Long-Term Debt  
For the Test Year Ended \_\_\_\_\_

Line No.	Type of Debt Issue (a)	Date of Issue (b)	Date of Maturity (c)	Amount (d)	Coupon Interest Rate (e)	Cost Rate At Issue (f)	Cost Rate to Maturity (g)	Bond Rating At Time of Issue (h)	Type of Obligation (i)	Annualized Cost Col.(d)xCol.(g) (j)	Actual Test Year Interest Cost (k)
-------------	------------------------------	----------------------------	-------------------------------	---------------	-----------------------------------	---------------------------------	------------------------------------	---	---------------------------------	--	--

Total Long-Term Debt and  
Annualized Cost

Annualized Cost Rate [Total  
Col. (j) ÷ Total Col.(d)]

Actual Long-Term Debt Cost  
Rate [Total Col. k ÷ Total  
Reported in Col. (c) Line 15  
of Format 1, Schedule 2]

- 1 Nominal Rate
- 2 Nominal Rate Plus Discount or Premium Amortization
- 3 Nominal Rate Plus Discount or Premium Amortization
- 4 Standard and Poor's, Moody, etc.
- 5 Sum of Accrued Interest Amortization of Discount or Premium and Issuance Cost

GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

Long-Term Debt and Preferred Stock Cost Rates

<u>Annualized Cost Rate</u>	
<u>Long-Term Debt</u>	<u>Preferred Stock</u>

Parent Company:

Test Year

Latest Calendar year

System Consolidated:

Test Year

Latest Calendar year

Instruction:

1. This schedule is to be completed only by applicants that are members of an affiliated group.
2. Detailed workpapers showing calculation of the above cost rates are to be available on request.

GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

Schedule of Short-Term Debt  
For the Test Year Ended \_\_\_\_\_

Line No.	Type of Debt Instrument	Date of Issue	Date of Maturity	Amount Outstanding	Nominal Interest Rate	Effective Interest Cost Rate	Annualized Interest Cost Col.(d)xCol.(f)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)

Total Short-Term Debt

Annualized Cost Rate [Total Col. (g) ÷ Total Col.(d)]

Actual Interest Paid or Accrued on Short Term  
Debt during the Test Year [Report in Col. (g) of this schedule]

Average Short-Term Debt - Format 1, Schedule 2  
Line 15 Col. (d) [Report in Col. (g) of this schedule]

Test Year Interest Cost Rate [Actual Interest ÷  
Average Short-Term Debt] [Report in Col. (f) of this schedule]

Instructions:

1. In all instances where the Effective Interest Cost Rate is different from the Nominal Interest Rate provide a calculation of the effective Interest Cost Rate in sufficient detail to show the items of costs that cause the difference.



GENERAL TELEPHONE COMPANY OF THE SOUTH  
Case No. 10117

Schedule of Outstanding Shares of Preferred Stock  
For the Calendar Year Ended \_\_\_\_\_

Line No.	Description of Issue (a)	Date of Issue (b)	Amount Sold (c)	Amount Outstanding (d)	Dividend Rate (e)	Cost Rate at Issue (f)	Annualized		Convertibility Features (h)
							Col.(f) x Col.(d)	Cost (g)	

Total

Annualized Cost Rate (Total  
Col.(g) ÷ Total Col.(d))

Instruction:

1. If the applicant has issued no preferred stock, this schedule may be omitted.

GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

Schedule of Outstanding Shares of Preferred Stock  
For the Test Year Ended \_\_\_\_\_

Line No.	Description of Issue (a)	Date of Issue (b)	Amount Sold (c)	Amount Outstanding (d)	Dividend Rate (e)	Cost Rate at Issue (f)	Annualized Cost Col.(f) x Col.(d) (g)	Actual Test Year Cost (h)	Convertibility Features (i)

Total

Annualized Cost Rate [Total  
Col.(g) ÷ Total Col.(d)]

Actual Test Year Cost Rate [Total  
Col.(h) ÷ Total Reported in  
Col.(e), line 15 of Format 1,  
Schedule 2]

Instruction:

1. If the applicant has issued no preferred stock, this schedule may be omitted.

GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

Schedule of Common Stock Issue

For the 10 Year Period Ended \_\_\_\_\_

DATE OF		PRICE PER		BOOK VALUE		SELLING EXPS.		NET	
Issue Announcement		Share to Public		Share (Net to Company)		As % of Gross Issue Amount		Proceeds to Company	
Registration		Issued		Per Share At Date of Issue					

Instructions:

1. If applicant is a member of an affiliate group, provide in a separate schedule the above data for the parent company.

## GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

Quarterly and Annual Common Stock Information  
For the Periods as Shown

<u>Period</u>	<u>Average No. of Shares Outstanding</u> (000)	<u>Book Value</u> (\\$)	<u>Earnings per Share</u> (\\$)	<u>Dividend Rate Per Share</u> (\\$)	<u>Return on Average Common Equity</u> (%)
5th Calendar Year:					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
Annual					
4th Calendar Year:					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
Annual					
3rd Calendar Year:					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
Annual					
2nd Calendar Year:					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
Annual					
1st Calendar Year:					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
Annual					

Latest Available Quarter

## Instructions:

1. Report annual returns only.
2. If applicant is a member of an affiliate group, provide in a separate schedule the above data for the parent company.

GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

Common Stock - Market Price Information

Month

<u>ITEM</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>
5th Year:						
Monthly High						
Monthly Low						
Monthly Closing Price						
4th Year:						
Monthly High						
Monthly Low						
Monthly Closing Price						
3rd Year:						
Monthly High						
Monthly Low						
Monthly Closing Price						
2nd Year:						
Monthly High						
Monthly Low						
Monthly Closing Price						
Months to Date of Filings:						
Monthly High						
Monthly Low						
Monthly Closing Price						

Instructions:

1. Indicate all stock splits by date and type.
2. If applicant is a member of an affiliate group, provide in a separate schedule the above data for the parent company.

GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

Common Stock - Market Price Information

Month

<u>Item</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
-------------	-------------	---------------	------------------	----------------	-----------------	-----------------

5th Year:

Monthly High  
Monthly Low  
Monthly Closing Price

4th Year:

Monthly High  
Monthly Low  
Monthly Closing Price

3rd Year:

Monthly High  
Monthly Low  
Monthly Closing Price

2nd Year:

Monthly High  
Monthly Low  
Monthly Closing Price

Months to Date of Filings:

Monthly High  
Monthly Low  
Monthly Closing Price

Instructions:

1. Indicate all stock splits by date and type.
2. If applicant is a member of an affiliate group, provide in a separate schedule the above data for the parent company.

GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

Computation of Fixed Charge Coverage Ratios  
For the Periods as Shown

<u>10th Calendar Year</u>		<u>9th Calendar Year</u>		<u>8th Calendar Year</u>	
	Bond or		Bond or		Bond or
	Mortg.		Mortg.		Mortg.
	Indenture		Indenture		Indenture
SEC	Require-	SEC	Require-	SEC	Require-
<u>Method</u>	<u>ment</u>	<u>Method</u>	<u>ment</u>	<u>Method</u>	<u>ment</u>

No. Item

Net Income  
Additions  
Itemize

Total Additions  
Deductions:  
Itemize

Total Deductions

Income Available for  
Fixed Charge Coverage

Fixed Charges

Fixed Charge Coverage  
Ratio

GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

Computation of Fixed Charge Coverage Ratios  
For the Periods as Shown

<u>7th Calendar Year</u>		<u>6th Calendar Year</u>		<u>5th Calendar Year</u>	
	Bond or Mortg. Indenture		Bond or Mortg. Indenture		Bond or Mortg. Indenture
SEC Method	Require- ment	SEC Method	Require- ment	SEC Method	Require- ment

No.   Item

Net Income  
Additions  
Itemize

Total Additions  
Deductions:  
Itemize

Total Deductions

Income Available for  
Fixed Charge Coverage

Fixed Charges

Fixed Charge Coverage  
Ratio



GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

Computation of Fixed Charge Coverage Ratios  
For the Periods as Shown

<u>4th Calendar Year</u>		<u>3th Calendar Year</u>		<u>2nd Calendar Year</u>	
<u>SEC</u>	<u>Bond or</u>	<u>SEC</u>	<u>Bond or</u>	<u>SEC</u>	<u>Bond or</u>
	<u>Mortg.</u>		<u>Mortg.</u>		<u>Mortg.</u>
	<u>Indenture</u>		<u>Indenture</u>		<u>Indenture</u>
<u>Method</u>	<u>Require-</u>	<u>Method</u>	<u>Require-</u>	<u>Method</u>	<u>Require-</u>
	<u>ment</u>		<u>ment</u>		<u>ment</u>

No.   Item

Net Income  
Additions  
Itemize

Total Additions  
Deductions:  
Itemize

Total Deductions

Income Available for  
Fixed Charge Coverage

Fixed Charges

Fixed Charge Coverage  
Ratio

GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

Computation of Fixed Charge Coverage Ratios  
For the Periods as Shown

<u>1st Calendar Year</u>		<u>Test Year</u>	
SEC Method	Bond or Mortg. Indenture Require- ment	SEC Method	Bond or Mortg. Indenture Require- ment

No. Item

Net Income  
Additions  
Itemize

Total Additions  
Deductions:  
Itemize

Total Deductions

Income Available for  
Fixed Charge Coverage

Fixed Charges

Fixed Charge Coverage  
Ratio

## GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

## AVERAGE RATES OF RETURN

For the Calendar Years                      Through                      and the 12 Months Ended

<u>Line No.</u>	<u>Calendar Years Prior to Test Year (a)</u>	<u>Total Company (b)</u>	<u>Ky. Jurisdiction (c)</u>	<u>Other Jurisdictions (d)</u>
1.	Original Cost Net Investment:			
2.	5th Year			
3.	4th Year			
4.	3rd Year			
5.	2nd Year			
6.	1st Year			
7.	Test Year			
8.	Original Cost Common Equity:			
9.	5th Year			
10.	4th Year			
11.	3rd Year			
12.	2nd Year			
13.	1st Year			
14.	Test Year			

NOTE: Provide work papers in support of the above calculations.

## GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

SUMMARY OF CUSTOMER DEPOSITS

Test Year

<u>Line No.</u>	<u>Month</u> (a)	<u>Receipts</u> (b)	<u>Refunds</u> (c)	<u>Balance</u> (d)
1.	Balance beginning of test year			
2.	1st Month			
3.	2nd Month			
4.	3rd Month			
5.	4th Month			
6.	5th Month			
7.	6th Month			
8.	7th Month			
9.	8th Month			
10.	9th Month			
11.	10th Month			
12.	11th Month			
13.	12th Month			
14.	Total (L1 through L13)			
15.	Average Balance (L14 - 13)			
16.	Amount of deposits received during test period			
17.	Amount of deposits refunded during test period			
18.	Number of deposits on hand end of test year			
19.	Average amount of deposit (L15, Column (d) - L18)			
20.	Interest paid during test period			



**GENERAL TELEPHONE COMPANY OF THE SOUTH**

**Case No. 10117**

## ANALYSIS OF SALARIES AND WAGES

[illegible]

## GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

ANALYSIS OF SALARIES AND WAGES CHARGED TO EXPENSE  
TEST YEAR ENDING

Line No.	Item (a)	12 Months Ended					Test Year (g)
		Calendar Years Prior to test Year					
		5th (b)	4th (c)	3rd (d)	2nd (e)	1st (f)	
1.	Maintenance	\$	\$	\$	\$	\$	\$
2.	Traffic						
3.	Commercial						
4.	Advertising						
5.	Marketing						
6.	General Office						
7.	Other Operating						
8.	Salaries allocated to Kentucky						
9.	Total Salaries and Wages Charged Expense						
10.	Construction						
11.	Total Salaries and Wages						
	a. Ratio Charged Expenses						
	b. Ratio Charged Construction						

GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

RECONCILIATION OF BOOK NET INCOME AND FEDERAL TAXABLE INCOME  
12 Months Ended

Line No.	Item (a)	Total Company (b)	Total Company Non-operating (c)	Kentucky Operations		
				Combined (d)	Intrastate (e)	Other Jurisdiction (f)
1.	Net income per books					
2.	Add income taxes:					
3.	A. Federal income tax-Current					
4.	B. Federal income tax deferred- Depreciation					
5.	C. Federal income tax deferred- Other					
6.	D. Investment tax credit adjustment					
7.	E. Federal income taxes charged to other income and deductions					
8.	F. State income taxes					
9.	G. State income taxes charged to other income and deductions					
10.	Total					
11.	Flow through items:					
12.	Add (itemize)					
13.	Deduct (itemize)					
14.	Book taxable income					
15.	Differences between book taxable income and taxable income per tax return:					
16.	Add (itemize)					
17.	Deduct (itemize)					
18.	Taxable income per return					

NOTE: (1) Provide a calculation of the amount shown on Lines 3 through 7 above.

(2) Provide work papers supporting each calculation including the depreciation schedules for straight-line tax and accelerated tax depreciation.

(3) Provide a schedule setting forth the basis of allocation of each item of revenue or cost allocated above.



GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

RECONCILIATION OF BOOK NET INCOME AND STATE TAXABLE INCOME  
12 Months Ended

Line No.	Item (a)	Total Company (b)	Total Company Non-operating (c)	Kentucky Operations		
				Combined (d)	Intrastate (e)	Other Jurisdiction (f)
1.	Net income per books					
2.	Add income taxes:					
3.	A. Federal income tax-Current					
4.	B. Federal income tax deferred- Depreciation					
5.	C. Federal income tax deferred- Other					
6.	D. Investment tax credit adjustment					
7.	E. Federal income taxes charged to other income and deductions					
8.	F. State income taxes					
9.	G. State income taxes charged to other income and deductions					
10.	Total					
11.	Flow through items:					
12.	Add (itemize)					
13.	Deduct (itemize)					
14.	Book taxable income					
15.	Differences between book taxable income and taxable income per tax return:					
16.	Add (itemize)					
17.	Deduct (itemize)					
18.	Taxable income per return					

NOTE: (1) Provide a calculation of the amount shown on Lines 8 through 9 above.

(2) Provide work papers supporting each calculation including the depreciation schedules for straight-line tax and accelerated tax depreciation.

(3) Provide a schedule setting forth the basis of allocation of each item of revenue or cost allocated above.

GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

Analysis of Other Operating Taxes  
12 Months Ended

"000 Omitted"

<u>Line No.</u>	<u>Item</u>	<u>Charged Expense (a)</u>	<u>Charged to Construction (b)</u>	<u>Charged to Other Accounts (c)</u>	<u>Amount Accrued (d)</u>	<u>Amount Paid (e)</u>
1.	Kentucky Retail:					
	(a) State Income					
	(b) Gross Receipts*					
	(c) Ad Valorem (Property)					
	(d) Payroll (Employer's Portion)					
	(e) Other Taxes					
2.	Total Kentucky Retail [L1(a) through L1(d)]					
3.	Other Jurisdictions					
	Total Per Books (L2 + L3)					

Instructions:

\*Actual payments for test year should be shown under the amount paid column.

1. Explain items in column (c).

GENERAL TELEPHONE COMPANY OF THE SOUTH

Format 21

Case No. 10117

NET OPERATING INCOME PER AVERAGE ACCESS LINE  
KENTUCKY COMBINED  
TEST YEAR ENDING

Line No.	Item (a)	12 Month Ended					Test Year (g)
		Calendar Years Prior to Test Year					
		5th (b)	4th (c)	3rd (d)	2nd (e)	1st (f)	
1.	<u>Operating Revenues</u>						
2.	Local service revenues						
3.	Toll service revenues						
4.	Miscellaneous revenues						
5.	Uncollectibles - debit						
6.	Total operating revenues						
7.	<u>Operation and Maintenance Expenses</u>						
8.	Maintenance expenses						
9.	Depreciation and amortization						
10.	Traffic expenses						
11.	Commercial expenses						
12.	General office salaries and expenses						
13.	Other operating expenses						
14.	Total operation and maintenance expenses						
15.	Net operating revenue						
16.	<u>Operating Taxes</u>						
17.	Federal income taxes						
18.	State income taxes						
19.	Other operating taxes						
20.	Total operating taxes						
21.	Net operating income						
22.	Total average primary phone (13-month average)						

GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

NUMBER OF EMPLOYEES  
TEST YEAR ENDING

<u>Period</u>	<u>Total</u> <u>(a)*</u>	<u>Maintenance</u> <u>(b)</u>	<u>Traffic</u> <u>(c)</u>	<u>Commercial</u> <u>(d)</u>	<u>General</u> <u>Office</u> <u>(e)</u>
Month prior to Test Year					
1st Month of Test Year					
2nd Month					
3rd Month					
4th Month					
5th Month					
6th Month					
7th Month					
8th Month					
9th Month					
10th Month					
11th Month					
12th Month					
A 13-Month Average for Calendar Years Prior to Test Year					
5th Year					
4th Year					
3rd Year					
2nd Year					
1st Year					
Test Year					

\* Also identify the level of employees allocated to Kentucky operations from other divisions and/or headquarters.

GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

STATION DATA  
TEST YEAR ENDING

<u>Period</u>	<u>Main</u> <u>(a)</u>	<u>Centrex</u> <u>Trunks</u> <u>(b)</u>	<u>PBX</u> <u>Trunks</u> <u>(c)</u>	<u>Other</u> <u>Equiva-</u> <u>Lents</u> <u>(d)</u>	<u>Total</u> <u>Primary</u> <u>Phones</u> <u>(e)</u>
Month prior to Test Year					
1st Month of Test Year					
2nd Month					
3rd Month					
4th Month					
5th Month					
6th Month					
7th Month					
8th Month					
9th Month					
10th Month					
11th Month					
12th Month					
A 13-Month Average for Calendar Years Prior to Test Year					
5th Year					
4th Year					
3rd Year					
2nd Year					
1st Year					
Test Year					

Format 22  
Schedule 3

GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

GENERAL STATISTICAL DATA  
TEST YEAR ENDING

<u>Period</u>	<u>Number of Employees Per Access Line (a)</u>	<u>Number of Station Connections Per Installer- Repairman (b)</u>
12 Months Ended December 31:		
Calendar Years Before Test Year		
5th Year		
4th Year		
3rd Year		
2nd Year		
1st Year		
Test Year		

GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

GENERAL STATISTICAL DATA  
TEST YEAR ENDING

<u>Average</u> <u>Net Plant</u> <u>In Service</u> <u>(a)</u>	<u>Increase</u> <u>Over</u> <u>Prior Year</u> <u>(b)</u>	<u>Construction</u> <u>Budget</u> <u>Amount</u> <u>(c)</u>	<u>Increase</u> <u>Over</u> <u>Prior Year</u> <u>(d)</u>
---	---	---	---

COMBINED

Calendar Years Before  
Test Year

5th Year  
4th Year  
3rd Year  
2nd Year  
1st Year  
Test Year

INTRASTATE

Calendar Years Before  
Test Year

5th Year  
4th Year  
3rd Year  
2nd Year  
1st Year  
Test Year

GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

KENTUCKY COMBINED OPERATIONS  
TELEPHONE PLANT IN SERVICE BY CLASS AT YEAR END PER AVERAGE ACCESS LINES  
TEST YEAR ENDING

Account Number	Account (a)	12 Month Ended						Test Year (g)
		Calendar Years Prior to Test Year						
		5th (b)	4th (c)	3rd (d)	2nd (e)	1st (f)		
201	Organization							
202	Franchises							
203	Patent rights							
211	Land							
212	Buildings							
221	Central office equipment							
231	Station apparatus							
232	Station connections							
234	Large private branch exchanges							
241	Pole lines							
242.1	Aerial cable							
242.2	Underground cable							



GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

KENTUCKY COMBINED OPERATIONS  
TELEPHONE PLANT IN SERVICE BY CLASS AT YEAR END PER AVERAGE ACCESS LINES  
TEST YEAR ENDING

Account Number	Account (a)	12 Month Ended					
		Calendar Years Prior to Test Year					
		5th (b)	4th (c)	3rd (d)	2nd (e)	1st (f)	Test Year (g)
242.3	Buried cable						
242.4	Submarine cable						
243	Aerial cable						
244	Underground conduit						
261	Furniture and office equipment						
264	Vehicles and other work equipment						
100.1	Total telephone plant in service						
Total average access line (13 month average)							

GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

KENTUCKY COMBINED OPERATIONS  
STATEMENT OF TELEPHONE PLANT IN SERVICE  
TEST YEAR ENDING

<u>Account</u> <u>Number</u>	<u>Account</u> <u>(a)</u>	<u>Balance</u> <u>Beginning</u> <u>Of Year</u> <u>(b)</u>	<u>Additions</u> <u>(c)</u>	<u>Retirements</u> <u>(d)</u>	<u>Balance</u> <u>End</u> <u>Of Year</u> <u>(e)</u>	<u>Intrastate</u> <u>Percent</u> <u>(f)</u>	<u>Intrastate</u> <u>Portion</u> <u>(g)</u>
<u>Telephone Plant in Service:</u>							
201	Organization						
202	Franchises						
203	Patent rights						
211	Land						
212	Buildings						
221	Central office equipment						
231	Station apparatus						
232	Station connections						
234	Large private branch exchanges						
241	Pole lines						
242.1	Aerial Cable						
242.2	Underground cable						
242.3	Buried cable						
242.4	Submarine cable						
243	Aerial wire						
244	Underground conduit						
261	Furniture and office equipment						
264	Vehicles and other work equipment						
100.1	Total telephone plant in service						

## GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

KENTUCKY COMBINED OPERATIONS  
ACCOUNT 642 - ADVERTISING  
FOR THE TEST YEAR ENDING

<u>Line</u> <u>No.</u>	<u>Item</u> <u>(a)</u>	<u>Sales</u> <u>Advertising</u> <u>(b)</u>	<u>Promotional</u> <u>Advertising</u> <u>(c)</u>	<u>Institutional</u> <u>Advertising</u> <u>(d)</u>	<u>Rate</u> <u>Case</u> <u>(e)</u>	<u>Total</u> <u>(f)</u>
1.	Newspapers and periodicals					
2.	Booklets and pamphlets					
3.	Bill inserts					
4.	Displays, exhibits, posters, and placards					
5.	Motion pictures					
6.	Radio					
7.	Television					
8.	Salaries and wages					
9.	Other advertising					
10.	Other expenses					
11.	Total					

## GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

KENTUCKY COMBINED OPERATIONS  
SUMMARY OF ACCOUNT NO. 675 - OTHER EXPENSES  
FOR THE TEST YEAR ENDING

<u>Line</u> <u>No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1.	Valuations, inventories, and appraisals	
2.	Business Information System (BIS) expense	
3.	Purchase of employees service emblems	
4.	Membership fees and dues	
5.	Directors' fees and expenses	
6.	Printing Annual Report	
7.	FCC Filing and Grant Fees	
8.	Company apportioned amounts for various items	
9.	Other items (itemize)	
10.	-	
11.	-	
12.	Total	

GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

KENTUCKY COMBINED OPERATIONS  
ACCOUNT NO. 323 - MISCELLANEOUS INCOME CHARGES  
INCLUDED IN OPERATING EXPENSES

<u>Line</u> <u>No.</u>	<u>Item</u> <u>(a)</u>	<u>Amount</u> <u>(b)</u>
1.	Contributions (a)	
2.	Membership fees and dues (a)	
3.	Abandoned construction projects	
4.	Other (itemize)	
5.	Total	

(a) Detail attached

## GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

## Professional Service Expenses

For the Twelve Months Ended

<u>Line</u> <u>No.</u>	<u>Item</u>	<u>Rate Case</u>	<u>Annual Audit</u>	<u>Other</u>	<u>Total</u>
1.	Legal				
2.	Engineering				
3.	Accounting				
4.	Other				
5.	Total				

GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

EMPLOYEE CONCESSION TELEPHONE SERVICE  
TEST YEAR ENDING

	<u>No. of People</u>	<u>Local</u>		<u>Toll</u>	
		<u>Main Stations</u>	<u>Other Services</u>	<u>Intrastate</u>	<u>Interstate</u>
<u>Kentucky Revenue Loss</u>					
General Office Personnel (By percentage allowance)					
Kentucky Operations (By percentage allowance)					
Allowance Provided Employees Served by Other Telephone Companies					
Retired and Disabled Employees (By percentage allowance)					
Other					

GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

SCHEDULE OF NUMBER OF EMPLOYEES, HOURS PER EMPLOYEE, AND AVERAGE WAGES PER EMPLOYEE

Calendar Years Prior to Test Year	Officials & Managerial Assistants				Professional and Semi- Professional			Business Office and Sales		Sales			
	<u>No. Hrs. Wages</u>				<u>No. Hrs. Wages</u>			<u>No. Hrs. Wages</u>		<u>No. Hrs. Wages</u>			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
5th Year													
% Change													
4th Year													
% Change													
3rd Year													
% Change													
2nd Year													
% Change													
1st Year													
% Change													
Test Year													
% Change													

- Note: (1) Where an employee's wages are charged to more than one function include employee in function receiving largest portion of total wages.
- (2) Show percentage increase (decrease) of each year over the prior year on lines designated above "% Change."
- (3) Employees, weekly hour per employee, and weekly wages per employee for the week including December 31 of each year and the last day of the test year.



GENERAL TELEPHONE COMPANY OF THE SOUTH

Case No. 10117

SCHEDULE OF NUMBER OF EMPLOYEES, HOURS PER EMPLOYEE, AND AVERAGE WAGES PER EMPLOYEE

Calendar Years Prior to Test Year	Telephone Operators			Construction Installation & Maintenance			All Other			Total		
	No.	Hrs.	Wages	No.	Hrs.	Wages	No.	Hrs.	Wages	No.	Hrs.	Wages
(a)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)	(w)	(x)	(y)
5th Year												
% Change												
4th Year												
% Change												
3rd Year												
% Change												
2nd Year												
% Change												
1st Year												
% Change												
Test Year												
% Change												

- Note: (1) Where an employee's wages are charged to more than one function include employee in function receiving largest portion of total wages.
- (2) Show percentage increase (decrease) of each year over the prior year on lines designated above "% Change."
- (3) Employees, weekly hour per employee, and weekly wages per employee for the week including December 31 of each year and the last day of the test year.